

PUBLIC SERVICE COMMISSION  
STATE OF NORTH DAKOTA

MEMORANDUM

TO: Commissioners Fedorchak, Christmann, and Kalk  
Darrell Nitschke  
Illona Jeffcoat-Sacco, Casey Furey, John Schuh

FROM: Sue Richter - Licensing Division Director 

DATE: May 8, 2015

RE: Roving Grain Buyer License  
The Andersons, Inc.

The Andersons, Inc. of Maumee, Ohio, filed a license application to operate as a roving grain buyer in North Dakota. The license applicant projected its annual grain purchase volume in North Dakota will be 130,000 bushels. A licensee's required minimum bond for a projected annual grain purchase volume totaling 130,000 bushels is \$65,000. The applicant filed a \$70,000 surety bond.

The Andersons, Inc. informed Commission Staff a North Dakota producer approached them about buying oats. Approximately 95,000 bushels of oats were purchased and shipped and the producer was paid in full. The Andersons, Inc. informed Commission Staff, it was applying for a roving grain buyer license so it can contact the producer to do more business with him.

Statutory compliance has been met and Staff recommends that a roving grain buyer license be issued to The Andersons, Inc. A corresponding motion and order are attached.

skr  
Attachments



**The Andersons, Inc.**

480 W. Dussel Dr. • Maumee, Ohio 43537 • 419/893/5050

May 8, 2015

North Dakota Public Service Commission  
600 E Boulevard Ave, Dept 408  
Bismark, ND 58505-0602

Dear Commission,

I recently was given the responsibility of all state and federal licensing in my role as Compliance and Risk Services Administrator for The Andersons, Inc. ("Andersons") It was during my due diligence that I discovered we had a purchase in your state last year without a license.

Andersons is in the business of buying and selling grain. Last year we were presented with the opportunity to buy oats from a producer in ND and my buyer did so without realizing we did not have a license in place.

A producer who grows potatoes for Frito-Lay also grew oats this past crop year. He asked Frito-Lay who he could contact to buy his oats. As Frito-Lay is a sister company to Quaker Oats, they gave him our number because Andersons originates grain for the Quaker direct grower program.

The producer contacted us and we contracted with him to purchase 100,000 bushels (20 railcars) of oats to be delivered to Quaker's Cedar Rapids, IA mill. We ordered the railcars on his behalf and he delivered and loaded 26 railcars (instead of 20) at Forest River, ND. The additional 6 cars equated to 34,778 bu, and was overage from his production. We owed him a total of \$402,836.80 and paid him \$399,113.44 in the Jan/Feb 2015 time frame and \$3,723.36 on May 7, 2015.

He has a Basis contract for the remaining 34,778 bushels against July 2015 futures. We do not owe him any money, and we do not have any other open contracts with him.

I apologize that we did not secure the Roving Grain Dealer License before this transaction occurred. It was an honest mistake on our part. We would like to do further business with this producer, and possibly others in your state, and would like to have the correct License in place prior to doing so.

We will not contract or take delivery of any more bushels without the Roving Grain Dealer License in place. I respectfully request that you accept our apology for our compliance error and will grant us the ability to transact in your state.

Please let me know if you have any questions. I can be reached at 419-891-6464 or via email [Judy\\_Baldwin@AndersonsInc.com](mailto:Judy_Baldwin@AndersonsInc.com).

Thank you for your consideration in this matter.

Sincerely,

Judy Baldwin  
Compliance and Risk Services Administrator